

March 23, 2015

Colorado House of Representatives  
Committee on State, Military and Veterans Affairs  
Representative Su Ryden, Chair

Subject: Testimony regarding HB15-1300 Local Minimum Wage

In 1999, the Colorado Retail Council lobbied the General Assembly to seize statewide control of the minimum wage, by passing SB99-014. The Colorado Retail Council represents the 5 corporations on its Board of Directors: Wal-Mart, JC Penney, Target, Safeway, and Kroger. The General Assembly passed the bill, making Colorado one of only 19 states that forbid cities from setting a minimum wage.

You may remember Ricardo's Law from economics courses. Ricardo's Law predicts that in an unrestrained economy, wages will fall to bare subsistence levels. Wal-Mart and the other Colorado Retail Council corporations are perfect examples. They pay poverty wages, or near poverty wages, to the vast majority of their employees in Colorado.

The Colorado Retail Council's interest in the debate today is maintaining access to cheap labor, just as it was in 1999.

Since 1999 the poverty rate in Colorado has risen from under 9% to 13%. Most impoverished adults in Colorado WORK. They are predominantly employed by national and international giants such as Wal-Mart, Penneys, Target, Safeway, and Kroger.

How can Wal-Mart and friends argue that one uniform minimum wage makes sense for Colorado workers, when the cost of living across Colorado varies so widely?

In 2011, according to the Self-Sufficiency report from the Colorado Center on Law & Policy, a family of four in Kit Carson County could be self-sufficient on an income of \$38,000 per year, and not be dependent on federal, state, and local government welfare.

But that is just in Kit Carson County. It would cost

22% more for that family to live in Delta County, (Willett)

30% more in Mesa County, (Thurlow)

41% more in El Paso County,

42% more in Weld County, (Humphrey)

45% more in Denver County,  
61% more in Arapahoe County,  
63% more in Adams County,  
65% more in Jefferson County, (Tyler)  
74% more in Broomfield County,  
78% more in Boulder County,  
85% more in Douglas County,  
and a whopping 89% more to live in Pitkin County.

**Imposing a uniform minimum wage for all Colorado is simply not justifiable.**

Companies report risks to their business in an annual report to the SEC – everything from bad weather to price increases by goods suppliers. JC Penney's latest SEC filing cites the declining purchasing power of middle class Americans as a risk but cites no risk of labor costs increasing. Why? Do they think they have enough control over Congress and state legislatures to stop minimum wage increases? Maybe they do.

**The United States Congress is not in a position to raise the federal minimum wage.**

**The Colorado Legislature is also incapable of raising the state minimum wage, because neither chamber of the Colorado legislature will achieve the 2/3 majority needed to give the people a vote.**

**So it falls to the people and local government to set minimum wage standards.**

**In Colorado every adult with a full-time job should receive a living wage. We do not need, or want, workers living in poverty, who must look to the state for welfare programs to make up for poverty wages – the bare subsistence wages paid by Colorado Retail Council corporations.**

**For the sake of the people of Colorado, pass HB15-1300. Give cities a tool to fight poverty.**

Thank you,

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